

# **FINAL MINUTES**

## **Governors' Liaison Committee Meeting (GLC)**

August 5, 2003

**Radisson Hotel South and Plaza Tower, Bloomington, MN**

by

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## GLC MEETING MINUTES (August 5, 2003)

### 1. WELCOME AND APPROVAL OF MINUTES OF LAST MEETING - COBB

The Upper Mississippi River-Illinois Waterway System Navigation Study Governors' Liaison Committee (GLC) was called to order by Steve Cobb, Chairman. The minutes from the February 2003 GLC meeting were accepted as Final without any corrections or modifications. The attendance list for the meeting is included as **Attachment 1**.

### 2. COST SHARING AND IMPLEMENTATION OPTIONS – LUNDBERG (**Attachment 2, Slides 3-9**)

Denny opened by reviewing the purpose and background of the Cost Sharing MFR that was distributed for stakeholder comment in mid June. He indicated that as of the day of the meeting we had received a joint response letter from the states and from three NGO's including MRBA , Illinois Stewardship Alliance, Inc and The Nature Conservancy. A Draft letter from the USFWS had been received by e-mail, with a final signed version still being reviewed by the Service. Denny indicated it was the Corps intent to share all these comments with the GLC members. The Corps will prepare a tentative recommendation in subsequent months which will also contain a cost estimate for the cost sharing proposal. A GLC conference call will be scheduled to discuss this recommendation before presenting at the public meetings. A final decision on the cost sharing decision will be made after the AFB, scheduled for January 2004. Denny discussed two main issues identified by the stakeholder comments:

#### *(1) How will mitigation be funded over the planning horizon? (Slide 4)*

It will be the Corps recommendation that mitigation for the UMR-IWW Nav. Study will be authorized at the same time as the recommended plan and will begin with the issuance of the first project funds, continuing for the full duration of the construction period. For example, Alternative 6 would not be complete until 2035, meaning a 30+yr mitigation period.

**Dick Lambert:** Is this a new way of accounting for mitigation?

**Steve Cobb:** Yes

**Mike Wells:** This means there would be no way to get construction money without mitigation?

**Steve Cobb:** That is correct.

**Mike Wells:** When will you know what the mitigation values are?

**Ken Barr:** The site specific mitigation cost estimates have already been prepared and incorporated into the alternative costs you have seen recently. A detailed accounting of these mitigation areas and costs is provided in ENV Rpt. 7 published in 1998, this is also available on the study website. The systemic mitigation costs are still under development and will be available by the end of September 2003.

**Ellen Fisher:** How does an adaptive mitigation approach fit in with this proposal?

**Ken Barr:** Even before the restructuring we were devising an adaptive mitigation approach that would take into account the level of uncertainty and attempt to provide a proactive approach to mitigation by having many preventative or compensatory measures in place and fully operational before the actual completion of the construction actions.

**Steve Cobb:** A realistic mitigation value must be developed in the cost/benefit computations.

**Ellen Fisher:** Is this a unique or first time approach for the Corps?

**Steve Cobb:** This is the latest approach but not necessarily unique to this study. Several other Corps restoration projects across the country are also developing a similar approach to their mitigation needs. We could very well be one of the first major corps projects to receive such

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and authorization. Which means we will be a test case as we develop an approval process by which changes would be authorized.

**Denny Lundberg:** We are also proposing an adaptive approach to the implementation of management measures for navigation efficiency and ecosystem restoration that is similar in nature to the adaptive mitigation but should not be confused since there are rather significant differences.

**Gretchen Benjamin:** I would like clarification on the site-specific mitigation and systemic mitigation that was presented earlier. Site specific has already been included in the cost estimates but systemic mitigation has yet to be incorporated?

**Ken Barr:** Yes, that is correct. We are still running the environmental models to compute the systemic effects of incremental barge traffic. The systemic mitigation plan is scheduled for completion by the end of September. The NECC will continue to be actively involved in this process. Just last week the NECC received a day-long briefing on some of the preliminary results from these impact analyses. The NECC has also spent a considerable amount of time since 1997 wrestling with this issue.

**John Barko:** Urged the GLC members to not get too caught up in the mitigation since it is unlikely to contribute significantly to the overall goal of sustainability. Rather the group should be more focused on the adaptive approach to environmental restoration and management that will ultimately go well beyond the bounds of mitigation and is more likely to truly establish a sustainable ecosystem. The expert panel report will cover this topic in further detail.

**Steve Cobb:** Conceptually this is where we would all like to go but for accounting purposes we still must separate out the mitigation costs.

### **(2) How are project lands defined? (Slide 5)**

Denny provided the lead in to this issue by defining Project lands as those fee title lands acquired for construction, operation, and maintenance of the 9' Navigation Channel Project. The Corps has relinquished management control of some of these lands to other Federal and State agencies. Projects on these federal lands would be 100% federal with the managing agency assuming responsibility for O&M. Water level management would serve as a good example of the potential cost sharing issues. If the action would impact areas outside the bounds of the project lands, a non-federal sponsor would have to secure the purchase or easements to such property, which in turn would contribute towards their cost sharing contribution.

**Ken Barr:** Indicated the Pool 25 change from hinge to dam-control is an example of such a cost sharing project that was being pursued as a Section 1135 proposal.

**Steve Cobb:** Added that the state of Missouri was the prospective cost sharing partner on this proposal and was subsequently responsible for the acquisition of these affected lands outside federal ownership. However this particular project came to a standstill when Missouri found that they could not condemn lands for the purpose of this project and had to rely solely on willing sellers. Steve further added that the assumption of Operation and Maintenance responsibility is another difficult issue with cost share partners.

**Holly Stoerker:** Could you please clarify this O&M responsibility issue.

**Denny Lundberg:** It is the managing agency that controls the day to day activities on these lands

**John Hey:** You indicated that only this cost sharing option would be applied to the alternatives why not apply all the cost sharing options to the alternatives?

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**Ken Barr:** It would require a considerable amount of additional information that we do not have time or resources to compile. We don't need this information from a scientific perspective but the states will require for implementation

**Denny Lundberg:** We will continue to discuss and explore the pros and cons for a variety of cost sharing options. We continue to learn of new and innovative cost sharing mechanisms that are being explored or tested with Corps authorities in other areas of the country.

### IMPLEMENTATION OPTIONS (Slides 6-7)

Denny presented a series of implementation options that are still under development and have been discussed with a small group of representative stakeholders. The purpose of this discussion was to review the features and considerations for each option and identify the pros and cons for each.

**Holly Stoerker:** Why would you want to have project specific legislation what would we have to gain instead of going strictly with a programmatic authorization?

**Rich Worthington:** These individual projects would likely exceed the \$25M/project ceiling established for the CG program, it is a size issue.

**Steve Cobb:** Congress would likely not give you a programmatic authorization for several 100 million dollar projects as opposed to low cap with several dozen small projects.

**Rich Worthington:** The issue with this study is really not project size but rather the current level of planning that would only allow us to identify several specific projects.

**Holly Stoerker:** What advantage(s) would this method of implementation offer?

**Steve Cobb:** This would preclude us from having to await the next WRDA authorization; this is how the everglades and LCA are being implemented.

**Holly Stoerker:** Do we have enough information to do this level of planning now?

**Ken Barr:** In several instances, Yes we have sufficient information or experience to describe the project features, cost and benefits.

**Chris Brescia:** What about the cost estimates, how reliable are they?

**Steve Cobb:** The cost must be as close to reality as possible since the subcommittee is really unhappy when costs exceed these estimates.

**Denny Lundberg:** L&D 19 fish passage is a complex issue that we have preliminary cost estimates and rough schematics, however such a monumental project would still require a detailed feasibility investigation before it could be presented as a viable site specific project.

**Holly Stoerker:** Projects that would not require land acquisition, where would they fall out?

**Denny Lundberg:** They would be considered under a programmatic authorization.

**Gretchen Benjamin:** what about a pool plan which contains a multiple level of actions

**Ken Barr:** they would mostly fall below the \$25 M cap and would also be assumed under the programmatic authorization.

**Gretchen Benjamin:** How do we provide guarantees that the restoration will occur or receive funding and not just the Nav Efficiency improvements?

**Chris Brescia:** I sense two separate approaches, one that would include a diverse variety of individual actions that would fall under a programmatic approach as opposed to a comprehensive pool plan being authorized in a WRDA.

**Rich Worthington:** The programmatic authority would be based upon the comprehensive plan to develop a sustainable system

**Gretchen Benjamin:** What is magical about the \$25 M number?

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**Rich Worthington:** Congress likes to maintain a level of control and that is what was established for the Everglades.

**Denny Lundberg:** We would seek an authorization that would accommodate our goals and objectives.

**Rich Worthington:** I suggest that anyone interested in the fine details of such an implementation option, should read the WRDA 2000 language that authorized the Everglades

### LAND OWNERSHIP

Ken Barr discussed slides 8-9 as they related to the acreage and percentage of Federal land ownership within the UMR floodplain ([Slide 8](#)) and how this related to the cost sharing and implementation options presentation of Federal lands in each Pool.

**John Hey:** How do we get 129% or 263%?

**Ken Barr:** Refugee land information is by refuge unit. A number of these Units are in more than one pool. So the Acres are included in one pool on this table and not the adjacent pools. Thus system acreage is correct but individual pool acreage is not.

**Denny Lundberg:** We will provide GLC/NECC/ECC members with a copy of all comments received on this Cost Sharing MFR.

### 3. ECOSYSTEM RESTORATION ALTERNATIVES – BARR ([Slides 10-38](#))

Ken Barr provided an update on the development of Ecosystem Restoration Alternatives. Discussed the study team efforts to identify a prioritized list of Water Level Management and Fish Passage management measures. Ended with a listing of the preliminary definitions and descriptions of six levels of restoration ([Slides 35-37](#)). His final slide showed a rough draft of the Ecosystem Alternative Assessment Matrix that the study team proposed to evaluate alternatives based on four main criteria: Risk, Robustness, Adaptability, and Acceptability.

**Ellen Fisher:** Where do you look at historic properties?

**Ken Barr:** As part of any action you also evaluate impacts to the historic properties, a lot of it is procedural and we need to have a plan in place to prevent this from becoming a problem.

**Ellen Fisher:** Is this additional work?

**Ken Barr:** MVP and MVS have a pretty comprehensive listing of these sites, we did geomorphic mapping of the entire basin we have also performed a shipwreck inventory of the entire system. It is included in the anticipated work and costs. We are putting the pieces in place so that historic properties will not become a show stopper.

**Chris Brescia:** How would we avoid negative implications to Hydroelectric power generation at the Keokuk L&D 19 location?

**Ken Barr:** The Keokuk power generating facility is owned by American Union Electric. Any project would have to include a cooperative agreement and innovative design to avoid impacts to their ability to generate electricity. In our recent discussion with representatives from the power company they indicated they have an interest in working with us.

**Barb Naramore:** What other factors were used to determine the ranking list for fish passage?

**Ken Barr:** The team established a weighting screening tool with four or five variables

**Steve Cobb:** We need to further develop one of these alternatives to put all of this into perspective. This is what we were referring to in our previous discussion on implementation

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issues, trying to find ways to move forward on large-scale sight specific projects in the quickest most expeditious way.

**Angela Anderson** – In previous slides you refer to the best buy, how is this determined?

**Ken Barr** – It is looking at both cost effectiveness and efficiency.

John Barko, co-chair for the Expert Panel convened to review the Ecosystem Restoration goals and objectives, provided a brief summation of the panels efforts (**Slide 39**). He indicated the panel included representation from across the different federal and state agencies scientific community some were not at all familiar with the UMR so they provided a very objective viewpoint. Met four times to seek means to attain a sustainable UMRS ecosystem. Final DRAFT will be sent out on 25 August for GLC/NECC/ECC review.

**Steve Cobb** created a graphic to further explain the implementation, conceptual implementation strategy.

**Gretchen Benjamin**: What is magical about the 65/35

**Steve Cobb**: This is in law for ecosystem restoration.

### 4. NAVIGATION EFFICIENCY ALTERNATIVES – MANGUNO (**Slides 40-85**)

Rich Manguno presented the Navigation Efficiency Alternative and some of the preliminary evaluation criteria information. Discussed Congestion Fees (Alt 3) in greater detail to provide additional clarity on this topic.

**Mike Wells**: Would you use switchboats to gain efficiency before and during construction?

**Rich Manguno**: SWB are already built into the construction estimates as a means to minimize or mitigate potential for delays during construction

**Gary Clark**: Why are Peoria and LaGrange so far out in the implementation schedule?

**Rich Manguno**: There is quite a bit of work and we would start with the priority areas which would also include secondary considerations (preparation) farther up the Miss that would allow the improvements to L&D 20-25

**Chris Brescia**: Why does it take so long to fully construct the alternative, budget constraints I can understand but why so much engineering?

**Denny Lundberg**: Sequencing of projects resource constraints within the corps and contractors, this is the reasonable schedule.

**Steve Cobb**: what is the average annual budget

**Rich Manguno**: Take the total project cost and divide by the duration

**Rich Manguno**: Construction during the winter period to avoid traffic delays will also affect the time to complete.

**Dan McGuinness**: are there any closures anticipated

**Denny Lundberg**: There are minimal closures that would be needed the impacts of these closures are factored into the net benefits calculations.

**Dick Lambert**: The building of the locks were accomplished in ten years

**Denny Lundberg**: It is humbling to think they built the entire system in ten years but recognize they did not have the considerable set of requirements that we currently have.

**Rich Manguno**: We are still studying the need to add additional alternatives 5a and 6a to be able to answer some of the intermediate questions

**Mike Wells**: With these scenarios will you be developing a NED plan?



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**Rich Manguno:** We will produce a description of the plan that produces the greatest net benefit but with the fifteen levels of alternatives configurations

**Mike Wells:** Is this a 50 year projection

**Rich Manguno:** Yes

**Chris Brescia:** can we see these model outputs for these new alternatives?

**Rich Manguno:** Yes

**Barb Naramore:** Is there any consideration of further breaking down Alt. 6 to ascertain the difference in net benefits without the new locks?

**Rich Manguno:** 5a and 6a are currently the only new alternatives that have been added to the formulation process, however that is not to say that at some point down the road another deviation of Alt. 6 may emerge.

**Denny Lundberg:** A comment from some of the stakeholders may want to know further distinction in the alternatives and/or their implementation schedule. For example, on Peoria na lagrange what is the difference if they started 5 years earlier, to what extent are we going to do this level of sensitivity analysis to respond to such lines of questioning.

**Rich Manguno:** All these questions are answerable it just comes down to time, we are trying to sort through the larger issues to arrive at a set of defensible alternatives, further refinement is indeed possible.

Rich Manguno provided a review of the congestion fee alternative (#2) that was added to the list of final alternatives at the request of the NRC ([Slides 71-76](#)). Congestion fees would only be imposed on Lock 25 and La Grange. It would constitute a fixed charge that would be additive to the shippers current shipping costs. The shipper would take into consideration the full cost of shipping his commodities and determine if a suitable profit was still available before deciding if they would consider alternative transportation modes. Most other transportation modes have fees, but they are typically geared towards cost recovery and not designed to increase overall efficiency. We should note that this alternative would require a re-writing of the federal law since charging for waterway transportation is currently prohibited.

**Mike Wells:** On alternative 1 you show zeros all across the board but why not build in the current O&M?

**Rich Manguno:** the w/o project condition has built in rehab and O&M.

**Chris Brescia:** Is there anywhere in the world where they have imposed such congestion fees?

**Rich Manguno:** London is implementing a fee that charges a fee for vehicles out of central London

**Chris Brescia:** At the NECC you specified a range from \$.50 to \$6.80/ton for the fee that would be imposed

**Rich Manguno:** That is correct

**Dick Lambert:** That is equivalent to the cost of shipping salt to Mnpls/St. Paul, this would subsequently cause this commodity to switch to the next cheapest rate raising the cost of salt and causing states and cities to spend less on salt and ultimately result in more hazardous traffic conditions and potentially deaths. The cost goes up and the usage goes down

**Rich Manguno:** That is why we refer to this as a transfer, moving revenue from one mode to another mode of transportation.

**John Hey:** There is definitely equity issues here. What does this revenue go towards?

**Rich Manguno:** This is definitely a point of interest

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**Dick Veggors:** Aren't you really cutting into the American farmers market share.

**Rich Manguno:** The consequences of the fee is that traffic moves off the system and market share could be lost. resulting a market share is lost. The objective of this study is to improve efficiency from a national perspective for the national financial gain not to improve one sectors market share.

**Dick Veggors** – The railroads will not be able to handle this additional commodity.

**Rich Manguno:** That gets us back to what is not included in this evaluation, that being what happens on the land side part of this equations.

**Dick Veggors:** One obvious casualty will be the small grain terminals that do not have access to rail. I am afraid if we go too far down this path someone may grab hold of it at the expense of these entities.

**Ellen Fisher:** Where are you with respect to the Scheduling alternative (#3)

**Rich Manguno :** This alternative is still under development by the Volpe Transportation Center. we expect a Final Report in August.

**Water level management strategy** to shut down the navigation system for 60 days and have a 4-6ft drawdown (**Slides 78-81**). Ken Barr indicated that this WLM strategy was the most extreme case of water level management and was being run through the TCM model to ascertain the economic impacts of such an action.

**Mike Wells:** What about the net loss to navigation industry in a given year, how does this account for their recouping of these losses.

**Rich Manguno:** The assumption is that they following year they would act like nothing happened.

**John Hey:** Will you be covering the ecological benefits and how are they are being computed.

**Ken Barr:** Yes, quantity and quality of habitat impacted. Predominately Acres exposed due to draw down of the pool allowing for soil compaction and seed germination. Also likelihood of success due to local watershed effects.

**Gretchen Benjamin:** I can't imagine why anyone would recommend a 4 foot drawdown, we would like a 90 day shutdown not just a 60 day. (Mid June to mid September).

**Ken Barr:** The analysis was done to compare the costs and benefits of environmental closure with the costs and benefits of advanced dredging and lesser draw downs. It helps bracket what is reasonable. It is not likely that system wide routine environmental closures would be recommended.

### **Regional Economic Development (RED) (Slides 82-85)**

**Holly Stoerker:** Why does the southern region include Texas?

**Rich Manguno:** Theoretically some of the increased efficiency could draw commodities by rail through diverted traffic could go through a rail head in Texas.

**Mitigation Planning:** Ken Barr reviewed ongoing system mitigation efforts.

### **Feasibility Study Schedule (Slide 87)**



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### 5. CLOSING COMMENTS

Denny indicated that the Corps would like to include Stakeholder Letters of Intent along with the DRAFT Feasibility Report. Ideally it would be useful to have these for the January 2004 Alternative Formulation Briefing as well.

*Holly Stoerker:* Nature of the recommendation being either project specific or programmatic would it require a letter of intent?

*Denny Lundberg:* We would like to have a individual or a collective position statement(s) from the five states and stakeholder groups. The statements could include some indication of the preference for the implementation option(s) currently under consideration.

*John Hey:* There is a huge amount of information extremely complex, it will be very difficult to put all this information into common English for the public to understand.

*Chris Brescia:* A question on procedure how do we handle this preliminary information?

*Denny Lundberg:* We will have the July status report out on the website for the world before the end of the week. This document will contain a detailed description of the same information you have seen here today. Right now this document is over 20 pages in length.

### 6. PUBLIC COMMENTS – None

### 7. ADJOURN

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### ATTACHMENT 1: Attendance List

GLC Meeting August 5, 2003

Radisson Hotel South and Plaza Tower, Bloomington, MN

Name		Affiliation	Phone	E-mail
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4	Lambert, Dick	Minnesota	651-296-1609	dick.lambert@dot.state.mn.us
5	Clark, Gary	IL DNR	217-785-3334	gclark@ndrmail.state.il.us
6	Wells, Michael	Missouri	573-751-2867	nrwellm@mail.dnr.state.mo.us
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9	Barr, Ken	USACE – MVR	309-794-5349	kenneth.a.barr@usace.army.mil
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28	Yager, Tim	USFWS		

## **Attachment 2**

Cost Sharing and Implementation Options  
(slides 3-9)

Ecosys. Restoration Alternatives (slides 10-39)

Navigation Efficiency Alternatives (slides 40-86)

Feasibility Study Schedule (slide 87)

Presented by  
Denny Lundberg, Ken Barr and Rich Manguno

US Army Corps of Engineers